

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02102B
Rancho Del Conejo Community Water Co-op, Inc.
13130 West Rudasill Road
Tucson, AZ 85743

RECEIVED

FEB 20 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
--------	----

PROCESSED BY:

2-20-07 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Rancho Del Conejo Community Water Co-op, Inc.		
Mailing Address 13130 W. Rudasill Road		
(Street)		
Tucson	AZ	85743
(City)	(State)	(Zip)
520-682-8335	520-682-8335	
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address Same as above		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: Albert Lannon		President	
(Name)		(Title)	
13130 W. Rudasill Rd.	Tucson	AZ	85743
(Street)	(City)	(State)	(Zip)
520-682-8335	520-682-8335		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>bluemoon@dakotacom.net</u>			
On Site Manager: Albert Lannon			
(Name)			
13130 W. Rudasill Road	Tucson	AZ	85743
(Street)	(City)	(State)	(Zip)
520-682-8335	520-682-8335		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent <u>Larry Udall</u>			
(Name)			
2712 N. 7 th St.	Phoenix	AZ	85006
(Street)	(City)	(State)	(Zip)
602-393-1700			
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>Larry Udall</u>			
(Name)			
2712 N. 7 th St.	Phoenix	AZ	85006
(Street)	(City)	(State)	(Zip)
602-393-1700			
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to you company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-Op
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-Op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input checked="" type="checkbox"/> Other (Describe) <u>Non-Profit Corporation (Co-op)</u>	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input checked="" type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	10342	---	10342
304	Structures and Improvements	6200	4994	1206
307	Wells and Springs	80765	50588	30177
311	Pumping Equipment	157421	44599	112822
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	90349	17812	72537
331	Transmission and Distribution Mains	400957	102728	298229
333	Services	824	103	721
334	Meters and Meter Installations	27368	10906	16462
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	105110	24526	80584
340	Office Furniture and Equipment	6311	6191	120
341	Transportation Equipment	10300	10144	156
343	Tools, Shop and Garage Equipment	1566	317	1249
344	Laboratory Equipment			
345	Power Operated Equipment	11900	11900	---
346	Communication Equipment			
347	Miscellaneous Equipment	10099	9997	102
348	Other Tangible Plant			
	TOTALS	919512	294805	624707

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	10342	---	---
304	Structures and Improvements	6200	5%	295
307	Wells and Springs	80765	4%	1768
311	Pumping Equipment	157421	6%	9400
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	90349	4%	3614
331	Transmission and Distribution Mains	400957	4%	15560
333	Services	824	5%	41
334	Meters and Meter Installations	27368	7%	1805
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	105110	4%	4205
340	Office Furniture and Equipment	6311	7%	351
341	Transportation Equipment	10300	5%	239
343	Tools, Shop and Garage Equipment	1566	20%	161
344	Laboratory Equipment			
345	Power Operated Equipment	11900	5%	---
346	Communication Equipment			
347	Miscellaneous Equipment	10099	6%	157
348	Other Tangible Plant			
	TOTALS	919512		37596

This amount goes on Comparative statement of Income and Expense Acct. No. 403.

Less: Amortization of Contributions in Aid of Construction

(17751)
\$ 19845

See Accountants' Report.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 75819	\$ 98586
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	13024	12610
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	2060	1539
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 90903	\$ 112735
	FIXED ASSETS		
101	Utility Plant in Service	\$ 913477	\$ 919512
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(257209)	(294805)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 656268	\$ 624707
	TOTAL ASSETS	\$ 747171	\$ 737442

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	6571	6171
236	Accrued Taxes	463	421
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	(1201)	
	TOTAL CURRENT LIABILITIES	\$ 5833	\$ 6592
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes Payable	\$ 254977	\$ 252096
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	26764	26764
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	351393	355028
272	Less: Amortization of Contributions	(72451)	(90202)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 305706	\$ 291590
	TOTAL LIABILITIES	\$ 566516	\$ 550278
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	180655	187164
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 747171	\$ 737442

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 113587	\$ 118162
460	Unmetered Water Revenue		
474	Other Water Revenue	8875	4560
	TOTAL REVENUES	\$ 122462	\$ 122722
	OPERATING EXPENSES		
601	Salaries and Wages	\$ ---	\$
610	Purchased Water		
615	Purchased Power	20259	24527
618	Chemicals		
620	Repairs and Maintenance	2210	4479
621	Office Supplies and Expense	7038	7521
630	Outside Services	41683	37313
635	Water Testing	500	2469
641	Rents		
650	Transportation Expense	2203	2373
657	Insurance – General Liability	13442	4376
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1640	2112
403	Depreciation Expense	18519	19845
408	Taxes Other Than Income		
408.11	Property Taxes	10530	9800
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 118024	\$ 114815
	OPERATING INCOME/(LOSS)	\$ 4438	\$ 7907
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$ 751
421	Non-Utility Income	13465	10534
426	Miscellaneous Non-Utility Income		
427	Interest Expense	12257	12683
	TOTAL OTHER INCOME/(EXPENSE)	\$ 1208	\$ (1398)
	NET INCOME/(LOSS)	\$ 5646	\$ 6509

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	5/16/2002			
Source of Loan	U.S.D.A.			
ACC Decision No.	61733			
Reason for Loan	Plant Upgrade			
Dollar Amount Issued	\$ 266300.00	\$	\$	\$
Amount Outstanding	\$ 252096.00	\$	\$	\$
Date of Maturity	6/30/2041			
Interest Rate	5.00%	%	%	%
Current Year Interest	\$ 12683.00	\$	\$	\$
Current Year Principal	\$ 2081.00	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 6171

Meter Deposits Refunded During the Test Year \$ 18

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-622-894	7.5	45	500	7-1/2	2-1/2	1969
55-622-895	40.0	200	600	12	3	1972
55-579-159	40.0	200	800	8	3	2000

*Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (Gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1		
10	2		
20	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
150000	1	N/A	1
20000	1	1000	1
6000	1	5000	1

COMPANY NAME Rancho Del Conejo Community Water Co-op, Inc.	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	1272
3	PVC	12370
4	PVC	8820
5	PVC	NONE
6	PVC	28470
8	PVC	400
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	298
3/4	11
1	12
1 1/2	
2	
Comp. 3	
Turbo 3	1
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

NONE

OTHER:

COMPANY NAME	Rancho Del Conejo Community Water Co-op, Inc.
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	315	2334000	2464000
FEBRUARY	310	2159000	2326000
MARCH	314	2185000	2644000
APRIL	310	2814000	2829000
MAY	315	2701000	3799000
JUNE	316	3625000	6351000
JULY	320	4789000	4175000
AUGUST	318	4618000	3938000
SEPTEMBER	317	4066000	1871000
OCTOBER	323	3505000	2722000
NOVEMBER	322	3099000	2707000
DECEMBER	322	2284000	2445000
TOTAL		38179000	38271000

Well #1 - .0051

Well #2 - .0033

What is the level of arsenic for each well on your system? Well #3 - .018 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? NA GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☐ Yes

☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes

☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2006 was \$ 9799.94

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

FEB 20 2007

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY OF (COUNTY NAME)) Pima	
NAME (OWNER OR OFFICIAL) Albert Lannon	TITLE President
COMPANY NAME Rancho Del Conejo Community Water Co-op, Inc.	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2006
-------------	-----------	--------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

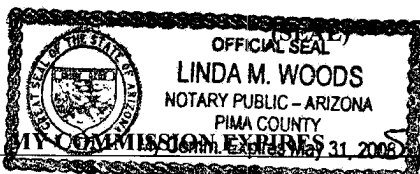
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

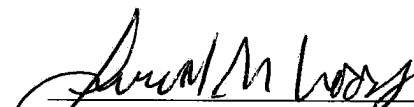

SIGNATURE OF OWNER OR OFFICIAL

520-682-8335
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS** 14 **DAY OF**

COUNTY NAME	Pima
MONTH	February 2007




SIGNATURE OF NOTARY PUBLIC

See Accountants' Report.

INCOME TAXES

For this reporting period, please provide the following:

Federal Taxable Income Reported	<u>Non-profit Corporation (Co-op)</u>
Estimated or Actual Federal Tax Liability	<u></u>

State Taxable Income Reported	<u>Non-profit Corporation (Co-op)</u>
Estimated or Actual State Tax Liability	<u></u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u></u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u></u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

2/13/07

DATE

Albert Lannon

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

**VERIFICATION
STATE OF**

Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Albert Lannon, President
COMPANY NAME	Rancho Del Conejo Community Water Co-op, Inc.

RECEIVED
FEB 24 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 130347

(THE AMOUNT IN THE BOX ABOVE
INCLUDES \$ 7625
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

(520) 682-8335
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14 DAY OF


COUNTY NAME	Pima
MONTH	Feb 2007

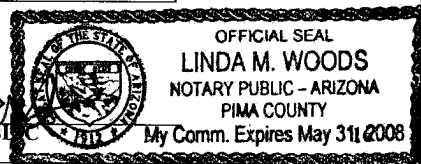
(SEAL)

MY COMMISSION EXPIRES

See Accountant's Report.

5/31/2008


SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Albert Lannon	TITLE President
COMPANY NAME Rancho Del Conejo Community Water Co-op, Inc.	

RECEIVED
FEB 20 2007
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 130347

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7625
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Albert Lannon
SIGNATURE OF OWNER OR OFFICIAL

520-682-8335
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 14 DAY OF

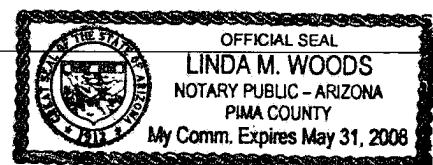
(SEAL)

MY COMMISSION EXPIRES 5/31/2008

See Accountants' Report

NOTARY PUBLIC NAME Linda Woods	
COUNTY NAME Pima	MONTH February
2007	

Linda Woods
SIGNATURE OF NOTARY PUBLIC



HOLM, HESTAND & VALENZUELA, CPAs, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
3131 NORTH COUNTRY CLUB ROAD, SUITE 109
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Rancho Del Conejo Community Water Co-op, Inc. as of December 31, 2006 and 2005, and the related comparative statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

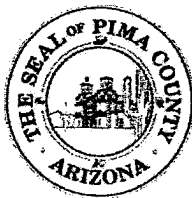
Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hestand - Valenzuela CPAs PC

February 5, 2007

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

RANCHO DEL CONEJO COMMUNITY WATER
CO-OP
ATTN: ALBERT LANNON/PRESIDENT
13000 W RUDASILL RD
TUCSON AZ 85743-7622

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
213	12	0820	\$ 19.53	10/4/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/18/2006	FULL YEAR	\$19.53	\$0.00	\$0.00	\$19.53
	TOTAL PAID	\$19.53	\$0.00	\$0.00	\$19.53

PROPERTY ADDRESS

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

RANCHO DEL CONEJO COMMUNITY WATER
CO-OP
ATTN: ALBERT LANNON/PRESIDENT
13000 W RUDASILL RD
TUCSON AZ 85743-7622

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
213	12	150J	\$ 560.81	10/4/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/18/2006	FULL YEAR	\$560.81	\$0.00	\$0.00	\$560.81
	TOTAL PAID	\$560.81	\$0.00	\$0.00	\$560.81

PROPERTY ADDRESS

13130 W RUDASILL RD

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

RANCHO DEL CONEJO COMMUNITY WATER
CO-OP
ATTN: ALBERT LANNON/PRESIDENT
13000 W RUDASILL RD
TUCSON AZ 85743-7622

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
213	12	3100	\$ 76.19	10/4/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/18/2006	FULL YEAR	\$76.19	\$0.00	\$0.00	\$76.19
TOTAL PAID		\$76.19	\$0.00	\$0.00	\$76.19

PROPERTY ADDRESS

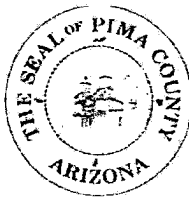
TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

RANCHO DEL CONEJO COMMUNITY WATER
CO-OP
ATTN: LARRY FLOCKS, PRESIDENT
13000 W RUDASILL RD
TUCSON AZ 85743-7622

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2005 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
923	20	6020	\$ 9,498.62	2/15/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
02/10/2006	SECOND HALF	\$4,749.31	\$0.00	\$0.00	\$4,749.31
	TOTAL PAID	\$4,749.31	\$0.00	\$0.00	\$4,749.31

PAID TO YOURS

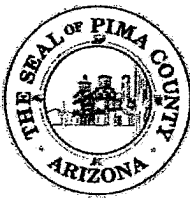
TOTAL PAID - 2005 FULL YEAR - \$0.00

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

RANCHO DEL CONEJO COMMUNITY WATER
CO-OP
ATTN: ALBERT LANNON/PRESIDENT
13000 W RUDASILL ROAD
TUCSON AZ 85743

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
923	20	6020	\$ 8,740.12	10/4/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/18/2006	FIRST HALF	\$4,370.06	\$0.00	\$0.00	\$4,370.06
	TOTAL PAID	\$4,370.06	\$0.00	\$0.00	\$4,370.06

PROPERTY ADDRESS

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$4,370.06
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$4,370.06

ADDITIONAL INFORMATION

FIRST HALF TAXES ARE DUE 10/01/2006 AND DELINQUENT AFTER 11/01/2006. SECOND HALF TAXES ARE DUE 03/01/2007 AND DELINQUENT AFTER 05/01/2007. INTEREST CHARGES ACCRUE FOR PAYMENTS MADE AFTER DELINQUENCY DATES. FOR PAYMENT INFORMATION AFTER DELINQUENCY DATES, PLEASE CALL (520) 740-8341 OR VISIT WWW.TO.PIMA.GOV

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

RANCHO DE CANEJO WATER CO-OP
13000 W RUDASILL
TUCSON, AZ 85743

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 PERSONAL PROPERTY TAXES

REFERENCE NO

06011151418

TOTAL TAX ASSESSED

\$ 24.04

DATE

9/20/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX	INTEREST	MHR FEE	SEIZE FEE	NSF FEE	RECLAIMED REFUNDS	TOTAL
09/07/2006	FULL YEAR	\$24.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24.04
	TOTAL PAID	\$24.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24.04

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
MOBILE HOME RELOCATION FEE DUE	\$0.00
SHERIFF SEIZURE FEE DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER